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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte GAGAN KANJLIA, SCOTT ZIMMER,
ROBERT J. LARSON, ALEXANDER S. WILSON,
VISHAL PURI, and JAY POBER

Appeal 2016-004638¹
Application 14/109,017²
Technology Center 3600

Before ANTON W. FETTING, CYNTHIA L. MURPHY, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

MEYERS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1, 2, 4–9, 11–16, and 18–20, but do not appeal the final

¹ Our decision references Appellants' Appeal Briefs ("Appeal Br.," filed October 15, 2015 and July 27, 2015) and Reply Brief ("Reply Br.," filed March 29, 2016), the Examiner's Answer ("Ans.," mailed February 3, 2016), and Final Office Action ("Final Act.," mailed January 23, 2015).

² Appellants identify Capital One Financial Corporation as the real party in interest (Appeal Br. 2).

rejection of claim 21. We have jurisdiction under 35 U.S.C. § 6(b). An Oral Hearing was held July 11, 2017.

We AFFIRM.

CLAIMED INVENTION

Appellants' claims "generally relate to payment systems, and more particularly, to systems, processes, and computer programs for facilitating users to effect personal payment transactions" (Spec. ¶ 2).

Claims 1, 8, and 15 are the independent claims on appeal. Claim 1 reproduced below, with minor formatting changes and added bracketed notations, is illustrative of the subject matter on appeal:

1. A system for providing personal payment transactions comprising:

[a] a processor; and

[b] a storage device storing instructions that, when executed by the processor, cause the system to perform operations comprising:

[c] generating a first interface for a payer to effect a personal payment transaction;

[d] receiving, from the payer via the first interface, identifying information about a payee;

[e] estimating a confidence level corresponding to one or more suggested recipients for receiving a payment associated with the personal payment transaction from the payer based on the payee identifying information, the confidence level indicating the likelihood each of the suggested recipients is an intended payee;

[f] generating a second interface including the one or more suggested recipients and confidence level corresponding to each of the suggested recipients;

[g] receiving an identification of an identified payee from the payer via the second interface;

[h] generating a third interface including one or more options to fund the payment from the payer to the identified payee;

[i] generating a fourth interface including one or more payment routing options for the payer to route the payment;

[j] generating a fifth interface including one or more payment receipt options for the identified payee to receive the payment; and

[k] generating a sixth interface including one or more channels for the payer to communicate with the payee regarding the payment.

REJECTION

Claims 1, 2, 4–9, 11–16, and 18–21 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.³

ANALYSIS

Non-statutory subject matter

Appellants argue claims 1, 2, 4–9, 11–16, and 18–20 as a group (*see* Appeal Br. 5–23). We select claim 1 as representative. Claims 2, 4–9, 11–16, and 18–20 stand or fall with independent claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and

³ Appellants do not appeal the rejection of claim 21 under 35 U.S.C. § 101, and as such, we summarily sustain the rejection of claim 21 under this ground. In the event of further prosecution, the Examiner should cancel claim 21. *See Ex parte Ghuman*, 88 USPQ2d 1478, 1480 (BPAI 2008) (precedential).

abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories., Inc.*, 132 S. Ct. 1289, 1300 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp.*, 134 S. Ct. at 2355. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” *id.*, e.g., to an abstract idea. If the claims are not directed to a patent-ineligible concept, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Alice Corp.*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1297).

The Court acknowledged in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 132 S. Ct. at 1293. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

Here, in rejecting claims 1, 2, 4–9, 11–16, and 18–20, the Examiner finds “[t]he claims are directed to a fundamental economic practice and method of organizing human activities (payment for transactions such as online payment or bills payment are known and have been processed by

practitioner's for years to settle an economical practice or transaction)”
(Final Act. 3).

In response, Appellants argue that the Examiner’s rejection is improper because “[t]he claims are not directed to a fundamental economic practice and method of organizing human activities” (Appeal Br. 7). Instead, Appellants argue “[t]he claims recite ‘estimating a confidence level corresponding to one or more suggested recipients for receiving a payment associated with the personal payment transaction’” (*id.*). Appellants also argue that “[t]he Examiner has also failed to maintain a single ‘abstract idea’ throughout prosecution” (*id.*) and provides “little to no actual analysis . . . for the Examiner’s arguments” (Reply Br. 3). Appellants’ arguments are not persuasive.

By way of background, the Examiner finds independent claim 1 “merely amounts to the application or instructions to apply the abstract idea (i.e. generating interfaces) on a computer” (Final Act. 3) and “is nothing more than . . . a method for providing a person[al] payment transaction)” (*id.* at 4). In making this determination, the Examiner observes that independent claim 1

amount[s] to nothing more than requiring a generic computer system (e.g. a computer system comprising a generic element for providing GUI, a website; a generic element for receiving payee input; a generic display on the website; and a generic element to allow the payee to complete a transaction) to merely carry out the abstract idea itself.

(*Id.* at 3–4 (emphasis omitted); *see also* Ans. 4–5). And, after considering what the claims are directed to, the Examiner finds independent claim 1

when considered as a whole, is nothing more than the instruction to implement the abstract idea (i.e. a method for providing a person payment transaction) in a particular, albeit well-

understood, routine and conventional technological environment previously known to the industry.
(Final Act. 4 (emphasis omitted)). Thus, we determine initially the Examiner has adequately articulated what abstract idea the claims are directed to.

Appellants argue that the Examiner's rejection is improper because "[t]he Examiner has also failed to maintain a single 'abstract idea' throughout prosecution" (Appeal Br. 7; *see also* Reply Br. 4–5). However, the Court found in *Alice* that it need not labor to delimit the precise contours of the "abstract ideas" category in that case. *See Alice*, 134 S. Ct. at 2357. We also note that "an abstract idea can generally be described at different levels of abstraction." *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). The Examiner's "slight revision of its abstract idea analysis does not impact the patentability analysis." *Id.* at 1241. Thus, Appellants' argument is not persuasive.

And, to the extent Appellants argue that the Examiner erred in adequately supporting or explaining this determination by providing citation (*see* Appeal Br. 7–9; *see also* Reply Br. 6–7), we also are unpersuaded. In this regard, there is no requirement that examiners must provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. *See, e.g.*, para. IV "July 2015 Update: Subject Matter Eligibility" to 2014 Interim Guidance on Subject Matter Eligibility (2014 IEG), 79 Fed. Reg. 74618 (Dec. 16, 2014):

The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be *a question of law*. Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases resolve the

ultimate legal conclusion on eligibility without making any factual findings.

(*Id.* (emphasis added)). We agree that evidence may be helpful in certain situations where, for instance, facts are in dispute. But it is not always necessary. Based on the above analysis set forth by the Examiner, we are unpersuaded it is necessary in this case.

Instead, we need only look to other decisions where similar concepts were previously found abstract by the courts. *See Amdocs (Israel) Limited v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (“Instead of a definition [for what an ‘abstract idea’ encompasses], then, the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided.”)

Here, independent claim 1 recites “[a] system for providing personal payment transactions” and includes instructions for “generating a first interface . . . to effect a personal payment transaction” “receiving . . . identifying information about a payee” at the first interface, “estimating a confidence level corresponding to one or more suggested recipients . . . based on the payee identifying information,” “generating a second interface including the one or more suggested recipients and [their] confidence level,” “receiving an identification of an identified payee” at the second interface, “generating a third interface including [funding] options,” “generating a fourth interface including . . . routing options,” “generating a fifth interface including . . . receipt options,” and “generating a sixth interface including [communication] channels.” And, according to the Specification, the invention “relate[s] to payment systems, and more

particularly, to systems, processes, and computer programs for facilitating users to effect personal payment transactions” (Spec. ¶ 2).

In this regard, we agree with the Examiner that independent claim 1 is directed to “providing . . . person[al] payment transaction[s]” (*see* Final Act. 4). Furthermore, we are persuaded that independent claim 1 is “directed to” a fundamental economic practice and method of organizing human activity, in that it is analogous to the concept of intermediated settlement in *Alice*, and the concept of risk hedging in *Bilski v. Kappos*, 561 U.S. 593 (2010), and, thus, is an abstract idea beyond the scope of § 101. *See Alice Corp.*, 134 S. Ct. at 2356; *Bilski*, 561 U.S. at 611.

We also note the claim instructions for receiving information, e.g., information including: a payee, funding options, routing options, receipt options, communication channels, creating a score, i.e., “confidence level,” and presenting the information, via interface, based in part on the score, accomplishes little more than collecting data, analyzing the data, and then presenting the data based on the analysis, and is similar to the steps that the Federal Circuit determined were patent ineligible in *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016). In *Electric Power*, the method claims at issue were directed to performing real-time performance monitoring of an electric power grid by collecting data from multiple data sources, analyzing the data, and displaying the results. *Elec. Power Grp. LLC*, 830 F.3d at 1351–52. The Federal Circuit held that the claims were directed to an abstract idea, explaining that “[t]he advance they purport to make is a process of gathering and analyzing information of a specified content, then displaying the results, and not any particular assertedly inventive technology for performing those functions.” *Id.* at 1354.

Accordingly, we find that independent claim 1 involves nothing more than receiving information, creating a score, i.e., “confidence level,” and presenting information, via interface, based in part on the score — activities squarely within the realm of abstract ideas. *See, e.g., Elec. Power Grp., LLC*, 830 F.3d at 1353–54 (when “the focus of the asserted claims” is “on collecting information, analyzing it, and displaying certain results of the collection and analysis,” the claims are directed to an abstract idea). *See also Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1344–45 (Fed. Cir. 2013) (claims reciting “generalized software components arranged to implement an abstract concept [of generating insurance-policy-related tasks based on rules to be completed upon the occurrence of an event] on a computer” not patent eligible).

Step two is “a search for an ‘inventive concept’—i.e., an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice*, 134 S. Ct. at 2355 (alteration in original) (citing *Mayo*, 132 S. Ct. at 1294).

And, similar to the situation in *Electric Power*, we find nothing sufficient to remove the claims from the class of subject matter ineligible for patenting. As the court explained in *Electric Power*, “merely selecting information, by content or source, for collection, analysis, and display does nothing significant to differentiate a process from ordinary mental processes, whose implicit exclusion from § 101 undergirds the information-based category of abstract ideas.” *Elec. Power Grp.*, 830 F.3d at 1355.

Here, as the Examiner points out, independent claim 1 uses a generic “computer system comprising a generic element for providing GUI, a

website; a generic element for receiving payee input; a generic display on the website; and a generic element to allow the payee to complete a transaction” (Final Act. 3–4) using “well-understood, routine and conventional [technology] previously known to the industry” (*id.* at 4 (emphasis omitted)). As such, we agree with the Examiner (*see id.* 3–4; *see also* Ans. 4–5) that the instructions for performing the steps recited by independent claim 1 amount to nothing more than mere instructions to implement the abstract idea on a computer—none of which add inventiveness because they merely require the application of conventional, well-known analytical steps. *See Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014) (“[T]he claimed sequence of steps comprises only ‘conventional steps, specified at a high level of generality,’ which is insufficient to supply an ‘inventive concept.’”) (citing *Alice*, 134 S. Ct. at 2357) (internal citations omitted).

Here, Appellants argue that “estimating a confidence level corresponding to one or more suggested recipients for receiving a payment associated with the personal payment transaction,” as recited by limitation [e] of independent claim 1, cannot be “wholly encompassed by the broad idea of ‘payment for transactions’” (Appeal Br. 9; *see also* Reply Br. 5–6). However, there is no indication in the record that any specialized computer hardware or other “inventive” computer components are required to perform this estimation or any of the other steps in the claim. In fact, the Specification identifies that its system merely requires “components to provide, collect, process, and transmit information consistent with the disclosed embodiments” (Spec. ¶ 43; *cf.* Spec. ¶¶ 44–54). And, with respect to “estimating a confidence level,” the Specification merely provides that

payee identity engine 213 may be configured to estimate the level of confidence with respect to the identity of the intended payee by considering one or more factors including, for example, payment and/or other user history, the quality of the data source, probability of coincidence, the form of payment, the physical proximity and/or presence of the payer and intended payee, and others.

(Spec. ¶ 60; *see also id.* ¶¶ 61, 80, 81). Thus, each limitation does no more than require a generic computer to perform generic computer functions.

And, considered as an ordered combination, the computer components of Appellants' independent claim 1 add nothing that is not already present when the limitations are considered separately. Viewed as a whole, Appellants' claims simply recite the concept of "providing . . . person[al] payment transaction[s]" (*see* Final Act. 4) as performed by "a processor; and a storage device storing instructions that, when executed by the processor, cause the system to perform operations" (*see* Appeal Br. 24 (Claims App'x.)).

The claims do not, for example, purport to improve the functioning of the computer itself or involve a solution necessarily rooted in computer technology to overcome a problem specific to the realm of computer networks, but instead embodies the use of generic computer components in a conventional manner to perform an abstract idea, which, as the Court in *DDR Holdings* explained, is not patent eligible. *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) ("[T]hese claims in substance were directed to nothing more than the performance of an abstract business practice on the Internet or using a conventional computer. Such claims are not patent-eligible."). Nor do the claims effect an improvement in any other technology or technical field. Instead, the claims at issue

amount to nothing significantly more than an instruction to apply the abstract idea of “providing . . . person[al] payment transaction[s]” (*see* Final Act. 4), which under our precedents, is not enough to transform an abstract idea into a patent-eligible invention. *See Alice*, 134 S. Ct. at 2360.

Appellants also argue that the Examiner “admits that the claims—which relate to technological inventions—are ‘allowable in view of prior art of record’” (Appeal Br. 16 (emphasis omitted)), and as such, “the pending claims thus do provide an ‘improvement to another technology or technical field’” (*id.* at 17). However, to the extent Appellants argue that the claims necessarily contain an “inventive concept” based on their alleged novelty and non-obviousness over the cited references, Appellants misapprehend the controlling precedent. That is, although the second step in the *Alice/Mayo* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice*, 134 S. Ct. at 2355. A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct. at 1304.

Appellants last argue that independent claim 1 includes particular claim elements that “make it clear that other ways of solving even the abstract idea of ‘payment for transactions’ are not foreclosed. The plethora of additional features in the claims means they are not merely ‘basic tools,’ and are ‘more than a drafting effort designed to monopolize the [abstract idea]’” (Appeal Br. 12–13 (citing *Alice*, 134 S. Ct. at 2357) (emphasis omitted)). However, Appellants’ preemption argument does not alter our

§ 101 analysis. Preemption concerns are fully addressed and made moot where a patent's claims are deemed to disclose patent ineligible subject matter under the two-part framework described in *Mayo* and *Alice*. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). “While preemption may signal patent ineligible matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

The remaining arguments have been considered but found unpersuasive.

In view of the foregoing, we sustain the Examiner's rejection under 35 U.S.C. § 101 of independent claim 1, and claims 2, 4–9, 11–16, and 18–20, which fall with independent claim 1.

DECISION

The Examiner's rejection of claims 1, 2, 4–9, 11–16, and 18–20 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claim 21 under 35 U.S.C. § 101 is summarily affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED